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September 5, 2001

VIA HAND DELIVERY

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37201

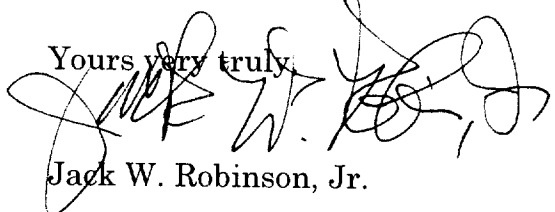
In Re: *Bellsouth Telecommunications, Inc.'s Entry Into Long Distance
(InterLATA) Service in Tennessee Pursuant to Section 271 of the
Telecommunications Act of 1996*
Docket No: 97-00309

Dear Mr. Waddell:

Enclosed for filing are the original and thirteen copies of AT&T Communications of the South Central States, Inc.'s and TCG's MidSouth, Inc.'s Response to the Petition of BellSouth Telecommunications, Inc. for Clarification and Reconsideration of Initial Order of Hearing Officer on July 12, 2001 Status Conference and Restatement of BellSouth's Position.

Copies are being served on all known counsel of record.

Yours very truly,


Jack W. Robinson, Jr.

JWRjr./ghc
Enclosures

cc: Counsel of Record
Sylvia Anderson, Esq.
James P. Lamoureux, Esq.
Garry Sharp

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

In re:

BellSouth Telecommunications, Inc.'s)
Entry Into Long Distance (InterLATA))
Service in Tennessee Pursuant to)
Section 271 of the Telecommunications)
Act of 1996)

Docket No.: 97-00309

**RESPONSE OF
AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC.
AND TCG MIDSOUTH, INC.
TO THE PETITION OF BELL SOUTH TELECOMMUNICATIONS, INC.
FOR CLARIFICATION AND RECONSIDERATION OF INITIAL ORDER OF
HEARING OFFICER ON JULY 12, 2001 STATUS CONFERENCE AND
RESTATEMENT OF BELL SOUTH'S POSITION**

AT&T Communications of the South Central States, Inc. and TCG MidSouth, Inc. (collectively "AT&T") hereby respond to the Petition of BellSouth Telecommunications, Inc. ("BellSouth") for Clarification and Reconsideration of Initial Order of Hearing Officer on July 12, 2001 Status Conference and Restatement of BellSouth's Position (BellSouth's "Petition"). AT&T also respectfully suggests that the hearing set for October 3-5, 2001, should include consideration of both the presence of facilities-based carriers and the associated question of the level of competition in Tennessee. BellSouth has filed testimony regarding the level of competition issue, and the Tennessee Regulatory Authority (the "Authority" or "TRA") appropriately should consider this and any other responsive testimony as part of its consideration of the impact of BellSouth's Section 271 application on Tennessee consumers.

In addition, BellSouth's clarification of its position notwithstanding, the Authority should not rely on BellSouth's Interim SQM and should not accept regional performance measurement

data as an indication of BellSouth's performance in Tennessee. Instead, the Authority should adopt its own set of performance measures and analyze Tennessee-specific data to inform its Section 271 inquiry.

I. THE HEARING ON SECTION 271(C)(1)(A) SHOULD INCLUDE TESTIMONY REGARDING THE PRESENCE OF FACILITIES-BASED CARRIERS AND THE ASSOCIATED ISSUE OF THE LEVEL OF COMPETITION IN TENNESSEE

In the Initial Order of the Hearing Officer on July 12, 2001 Status Conference ("July 12 Order"), the Authority scheduled a hearing on demonstration of compliance with Section 271(c)(1)(A) for October 3-5 and 8-9, 2001. In the discussion of this hearing in its Petition, BellSouth narrowly delineates the issues to be considered as part of a Section 271(c)(1)(A), also known as Track A, analysis. AT&T believes that in the interests of judicial economy and efficiency, the scheduled hearing should include both testimony regarding the presence of facilities-based carriers and the associated issue of the level of competition in the Tennessee market for local service.

The question of the level of competition is closely-associated with the Track A requirement of facilities-based competition. BellSouth's Section 271 filing reflects this association. Indeed, as part of its Track A submission, BellSouth has offered testimony on the level of competition in Tennessee. In the Testimony of John A. Ruscilli and the attached Affidavit of Doug Schaller, filed in this Docket on July 30, 2001, BellSouth provides its estimates of the percentage of the local service market it contends is served by CLECs. (Ruscilli Testimony at 19-20.) Indeed, Mr. Ruscilli's testimony specifically addresses the question "What is the status of local competition in Tennessee?" (Ruscilli Testimony at 19.)

Although BellSouth's Petition may be read to request that the Authority confine its Track A analysis to investigating the presence of facilities-based carriers, BellSouth's Track A submission clearly encompasses the question of the level of competition. AT&T suggests that

the Authority's review of the level of competition is an appropriate part of its analysis of the effect of BellSouth's request to provide interLATA service on consumers in Tennessee. Moreover, consideration of these issues in the Section 271(c)(1)(A) hearing is an efficient means of gathering the relevant information from all parties. Accordingly, AT&T requests that the Authority find that the proper scope of the scheduled hearing includes both the presence of facilities-based carriers and the present and projected levels of competition in Tennessee.

II. THE AUTHORITY SHOULD ADOPT ITS OWN SERVICE QUALITY MEASUREMENTS

Evaluation of reliable and relevant performance measurement data can be an important part of a Section 271 analysis. In its Petition, BellSouth once again urges the Authority to rely upon the proposed Interim Service Quality Measurements ("SQM"). BellSouth's proposed Interim SQM and its regional data are insufficient to meet the Authority's needs. BellSouth's clarification of its position notwithstanding, the Authority should adopt its own SQM and maintain its position that BellSouth must support its Tennessee Section 271 application with Tennessee data.

Performance measures provide a means for evaluating the level of service BellSouth offers to CLECs. In its decision denying BellSouth's second 271 application in Louisiana, the FCC stated, "[t]he most critical aspect of evaluating a BOC's OSS is the actual performance results of commercial usage or, in the absence of commercial usage, testing results." *See* Memorandum Opinion and Order, *In the Matter of Application of BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services In Louisiana*, CC Docket 98-121 ¶92 (rel. October 13, 1998). Whether entering the local market via interconnection, resale, or the use of unbundled network elements, CLECs depend upon BellSouth's performance in providing service to their customers.

In the July 12 Order, the Authority restated its view that “the adoption of an ongoing performance measurement program with built-in enforcement mechanisms would provide the Authority with a tool to assure that BellSouth is offering nondiscriminatory access to its network in a competitively neutral manner.” (July 12 Order at 9.) The FCC’s Section 271 orders support a state-specific evaluation of BellSouth’s performance measures and data. For example, in its *SWBT Texas Order* the FCC stated:

We recognize that metric definitions and incumbent LEC operating systems will likely vary among states, and that individual states may set standards at a particular level that would not apply in other states and that may constitute more or less than the checklist requires. Therefore, in evaluating checklist compliance in each application, we consider the BOC’s performance within the context of each respective state. For example, where a state develops a performance benchmark with input from affected competitors and the BOC, such a standard may well reflect what competitors in the marketplace feel they need in order to have a meaningful opportunity to compete.

Memorandum Opinion and Order, *In the Matter of Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a SouthWestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region InterLata Services in Texas*, 15 FCC Rcd. 18,354 ¶¶ 55-56 (F.C.C. June 30, 2000) (No. CC00-65, FCC00-238) (“*SWBT Texas Order*”). The FCC concluded that in making its evaluation it will “examine whether the state commission has adopted a retail analogue or a benchmark to measure BOC performance and then **review the particular level of performance the state has required.**” *SWBT Texas Order* ¶ 56 (emphasis added).

BellSouth has proposed that the Authority rely upon the Interim SQM ordered by the Georgia Commission to define the data that will be produced in BellSouth’s performance reports for Tennessee. Although BellSouth suggests that the most recent version of its current SQM has the imprimatur of the Georgia Commission, it does not, because BellSouth has not appropriately

implemented the Georgia Commission's order. A review of the measures in the Interim SQM reveals that BellSouth has unilaterally modified what it measures and what it reports. Accordingly, the measures BellSouth is reporting do not reflect what was ordered by the Georgia Commission. BellSouth asks the Authority to rely on its compliance with orders from the Georgia Commission, but BellSouth is not complying with those orders. The Authority, therefore, should refuse BellSouth's request and enforce its July 12 Order requiring BellSouth to rely on Tennessee data.

The July 12 Order is appropriate. Instead of relying upon the Interim SQM, the Authority should adopt its own performance measurements plan before making its recommendation on BellSouth's Section 271 application. AT&T respectfully suggests that the Authority proceed in the following manner: (1) establish a Tennessee-specific performance measurements plan; (2) order BellSouth to produce three months of data under the plan; (3) audit the data; and (4) only then consider BellSouth's Section 271 application.

III. THE AUTHORITY SHOULD REQUIRE COLLECTION OF TENNESSEE-SPECIFIC DATA FOR ALL MEASUREMENTS

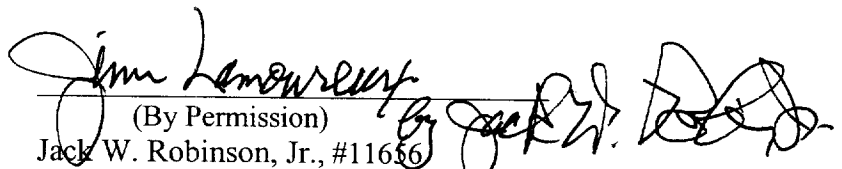
In its Petition, BellSouth informs the Authority that it plans to rely on certain regional data. As AT&T explained in its Motion for Reconsideration and Clarification, filed September 4, 2001 in Docket 01-00362, reliance on regional ordering and pre-ordering performance data is inappropriate in Tennessee, because BellSouth's ordering and pre-ordering performance varies from state to state. Moreover, BellSouth's implication that the inclusion of Tennessee orders in regional data somehow makes them more acceptable is meritless. The lack of uniformity among BellSouth's systems makes regional data irrelevant to an evaluation of BellSouth's performance in Tennessee. Regardless of whether the Authority develops its own SQM plan or adopts

BellSouth's proposal, the Authority should require BellSouth to provide Tennessee-specific data for all measurements in Tennessee.

IV. CONCLUSION

For the foregoing reasons, AT&T responds to BellSouth's Petition for Clarification and Reconsideration and requests that the Authority (1) define the scope of the Section 271(c)(1)(A) hearing to include the level of competition as well as the presence of facilities-based carriers; (2) adopt its own service quality measurement plan; and (3) order BellSouth to produce Tennessee-specific performance data for all performance measurements.

Respectfully submitted,


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CERTIFICATE OF SERVICE

Docket Number 97-00309

I hereby certify that a true and correct copy of the foregoing document was served on the parties of record, via hand-delivery, overnight delivery or U.S. Mail, postage prepaid, addressed as follows on this 5th day of September, 2001:

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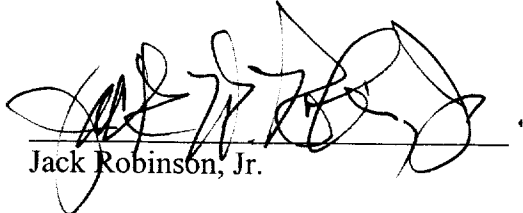
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